Exhibit A

10-K 1 d10k.htm FORM 10-K

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2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2008

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number 1-2256

EXXON MOBIL CORPORATION
(Exact name of registrant as specified in its charter)

NEW JERSEY (State or other jurisdiction of incorporation or organization)	13-5409005 (I.R.S. Employer Identification Number)

5959 LAS COLINAS BOULEVARD, IRVING, TEXAS 75039-2298
(Address of principal executive offices) (Zip Code)

(972) 444-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, without par value (4,941,630,490 shares outstanding at January 31, 2009)	**New York Stock Exchange**
Registered securities guaranteed by Registrant:	
SeaRiver Maritime Financial Holdings, Inc.	
Twenty-Five Year Debt Securities due October 1, 2011	**New York Stock Exchange**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ✓ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No ✓

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✓ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ✓

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ✓ Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). Yes No ✓

The aggregate market value of the voting stock held by non-affiliates of the registrant on June 30, 2008, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price on that date of $88.13 on the New York Stock Exchange composite tape, was in excess of $457 billion.

Documents Incorporated by Reference:

Proxy Statement for the 2009 Annual Meeting of Shareholders (Part III)

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EXXON MOBIL CORPORATION
FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

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PART I

Item 1. *Business.*

Exxon Mobil Corporation was incorporated in the State of New Jersey in 1882. Divisions and affiliated companies of ExxonMobil operate or market products in the United States and most other countries of the world. Their principal business is energy, involving exploration for, and production of, crude oil and natural gas, manufacture of petroleum products and transportation and sale of crude oil, natural gas and petroleum products. ExxonMobil is a major manufacturer and marketer of commodity petrochemicals, including olefins, aromatics, polyethylene and polypropylene plastics and a wide variety of specialty products. ExxonMobil also has interests in electric power generation facilities. Affiliates of ExxonMobil conduct extensive research programs in support of these businesses.

Exxon Mobil Corporation has several divisions and hundreds of affiliates, many with names that include *ExxonMobil, Exxon, Esso* or *Mobil*. For convenience and simplicity, in this report the terms *ExxonMobil, Exxon, Esso* and *Mobil*, as well as terms like *Corporation, Company, our, we* and *its*, are sometimes used as abbreviated references to specific affiliates or groups of affiliates. The precise meaning depends on the context in question.

Throughout ExxonMobil's businesses, new and ongoing measures are taken to prevent and minimize the impact of our operations on air, water and ground. These include a significant investment in refining infrastructure and technology to manufacture clean fuels as well as projects to reduce nitrogen oxide and sulfur oxide emissions and expenditures for asset retirement obligations. ExxonMobil's 2008 worldwide environmental expenditures for all such preventative and remediation steps, including ExxonMobil's share of equity company expenditures, were about $5.2 billion, of which $2.5 billion were capital expenditures and $2.7 billion were included in expenses. The total cost for such activities is expected to remain in this range in 2009 and 2010 (with capital expenditures approximately 50 percent of the total).

Operating data and industry segment information for the Corporation are contained in the Financial Section of this report under the following: "Quarterly Information", "Note 17: Disclosures about Segments and Related Information" and "Operating Summary". Information on oil and gas reserves is contained in the "Oil and Gas Reserves" part of the "Supplemental Information on Oil and Gas Exploration and Production Activities" portion of the Financial Section of this report. ExxonMobil has a long-standing commitment to the development of proprietary technology. We have a wide array of research programs designed to meet the needs identified in each of our business segments. Information on Company-sponsored research and development spending is contained in "Note 3: Miscellaneous Financial Information" of the Financial Section of this report. ExxonMobil held approximately 11 thousand active patents worldwide at the end of 2008. For technology licensed to third parties, revenues totaled approximately $125 million in 2008. Although technology is an important contributor to the overall operations and results of our Company, the profitability of each business segment is not dependent on any individual patent, trade secret, trademark, license, franchise or concession.

The number of regular employees was 79.9 thousand, 80.8 thousand and 82.1 thousand at years ended 2008, 2007 and 2006, respectively. Regular employees are defined as active executive, management, professional, technical and wage employees who work full time or part time for the Corporation and are covered by the Corporation's benefit plans and programs. Regular employees do not include employees of the company-operated retail sites (CORS). The number of CORS employees was 24.8 thousand, 26.3 thousand and 24.3 thousand at years ended 2008, 2007 and 2006, respectively.

ExxonMobil maintains a website at exxonmobil.com. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or

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furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934 are made available through our website as soon as reasonably practical after we electronically file or furnish the reports to the Securities and Exchange Commission. Also available on the Corporation's website are the Company's Corporate Governance Guidelines and Code of Ethics and Business Conduct, as well as the charters of the audit, compensation and nominating committees of the Board of Directors. All of these documents are available in print without charge to shareholders who request them. Information on our website is not incorporated into this report.

Item 1A. ***Risk Factors.***

ExxonMobil's financial and operating results are subject to a variety of risks inherent in the global oil and gas business. Many of these risk factors are not within the Company's control and could adversely affect our business, our financial and operating results or our financial condition. These factors include the following:

Industry and Economic Factors: The oil and gas business is fundamentally a commodity business. This means the operations and earnings of the Corporation and its affiliates throughout the world may be significantly affected by changes in oil, gas and petrochemical prices and by changes in margins on gasoline and other refined products. Oil, gas, petrochemical and product prices and margins in turn depend on local, regional and global events or conditions that affect supply and demand for the relevant commodity. These events or conditions are generally not predictable and include, among other things:

- general economic growth rates and the occurrence of economic recessions;
- the development of new supply sources;
- adherence by countries to OPEC quotas;
- supply disruptions;
- weather, including seasonal patterns that affect regional energy demand (such as the demand for heating oil or gas in winter) as well as severe weather events (such as hurricanes) that can disrupt supplies or interrupt the operation of ExxonMobil facilities;
- technological advances, including advances in exploration, production, refining and petrochemical manufacturing technology and advances in technology relating to energy usage;
- changes in demographics, including population growth rates and consumer preferences; and
- the competitiveness of alternative hydrocarbon or other energy sources.

Under certain market conditions, factors that have a positive impact on one segment of our business may have a negative impact on another segment and vice versa.

Competitive Factors: The energy and petrochemical industries are highly competitive. There is competition within the industries and also with other industries in supplying the energy, fuel and chemical needs of both industrial and individual consumers. The Corporation competes with other firms in the sale or purchase of needed goods and services in many national and international markets and employs all methods of competition which are lawful and appropriate for such purposes.

A key component of the Corporation's competitive position, particularly given the commodity-based nature of many of its businesses, is ExxonMobil's ability to manage expenses successfully. This requires continuous management focus on reducing unit costs and improving efficiency including through technology improvements, cost control, productivity enhancements and regular reappraisal of our asset portfolio.

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Political and Legal Factors: The operations and earnings of the Corporation and its affiliates throughout the world have been, and may in the future be, affected from time to time in varying degree by political and legal factors including:

- political instability or lack of well-established and reliable legal systems in areas where the Corporation operates;
- other political developments and laws and regulations, such as expropriation or forced divestiture of assets, unilateral cancellation or modification of contract terms, and regulation of certain energy markets;
- laws and regulations related to environmental or energy security matters, including those addressing alternative energy sources and the risks of global climate change;
- restrictions on exploration, production, imports and exports;
- restrictions on the Corporation's ability to do business with certain countries, or to engage in certain areas of business within a country;
- price controls;
- tax or royalty increases, including retroactive claims;
- war or other international conflicts; and
- civil unrest.

Both the likelihood of these occurrences and their overall effect upon the Corporation vary greatly from country to country and are not predictable.

Project Factors: In addition to some of the factors cited above, ExxonMobil's results depend upon the Corporation's ability to develop and operate major projects and facilities as planned. The Corporation's results will therefore be affected by events or conditions that impact the advancement, operation, cost or results of such projects or facilities, including:

- the outcome of negotiations with co-venturers, governments, suppliers, customers or others (including, for example, our ability to negotiate favorable long-term contracts with customers, or the development of reliable spot markets, that may be necessary to support the development of particular production projects);
- reservoir performance and natural field decline;
- changes in operating conditions and costs, including costs of third party equipment or services such as drilling rigs and shipping;
- security concerns or acts of terrorism that threaten or disrupt the safe operation of company facilities; and
- the occurrence of unforeseen technical difficulties (including technical problems that may delay start-up or interrupt production from an Upstream project or that may lead to unexpected downtime of refineries or petrochemical plants).

The Corporation's overall volume capacity outlook, based on projects coming on stream as anticipated, is for production capacity to grow over the period 2009-2013. However, actual volumes will vary from year to year due to the timing of individual project start-ups, operational outages, reservoir performance, regulatory changes, asset sales, weather events, price effects on production sharing contracts and other factors described above.

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The estimation of proved reserves, which is based on the requirement of reasonable certainty, is an ongoing process based on rigorous technical evaluations, commercial and market assessments and detailed analysis of well information such as flow rates and reservoir pressure declines. Furthermore, the Corporation only records proved reserves for projects which have received significant funding commitments by management made toward the development of the reserves. Although the Corporation is reasonably certain that proved reserves will be produced, the timing and amount recovered can be affected by a number of factors including completion of development projects, reservoir performance, regulatory approvals and significant changes in projections of long-term oil and gas price levels.

Market Risk Factors:

Worldwide Average Realizations—Consolidated Subsidiaries	2008	2007	2006
Crude oil and NGL ($/barrel)	$89.32	$66.02	$58.34
Natural gas ($/kcf)	7.54	5.29	6.08

Crude oil, natural gas, petroleum product and chemical prices have fluctuated in response to changing market forces. The impacts of these price fluctuations on earnings from Upstream, Downstream and Chemical operations have varied. In the Upstream a $1 per barrel change in the weighted-average realized price of oil would have approximately a $375 million annual after-tax effect on Upstream consolidated plus equity company earnings. Similarly, a $0.10 per kcf change in the worldwide average gas realization would have approximately a $175 million annual after-tax effect on Upstream consolidated plus equity company earnings. For any given period, the extent of actual benefit or detriment will be dependent on the price movements of individual types of crude oil, taxes and other government take impacts, price adjustment lags in long-term gas contracts, and crude and gas production volumes. Accordingly, changes in benchmark prices for crude oil and natural gas only provide broad indicators of changes in the earnings experienced in any particular period.

In the very competitive downstream and chemical environments, earnings are primarily determined by margin capture rather than absolute price levels of products sold. Refining margins are a function of the difference between what a refiner pays for its raw materials (primarily crude oil) and the market prices for the range of products produced. These prices in turn depend on global and regional supply/demand balances, inventory levels, refinery operations, import/export balances and weather.

The global energy markets can give rise to extended periods in which market conditions are adverse to one or more of the Corporation's businesses. Such conditions, along with the capital-intensive nature of the industry and very long lead times associated with many of our projects, underscore the importance of maintaining a strong financial position. Management views the Corporation's financial strength, including the AAA and Aaa ratings of its long-term debt securities by Standard & Poor's and Moody's, as a competitive advantage.

In general, segment results are not dependent on the ability to sell and/or purchase products to/from other segments. Instead, where such sales take place, they are the result of efficiencies and competitive advantages of integrated refinery/chemical complexes. Additionally, intersegment sales are at market-based prices. The products bought and sold between segments can also be acquired in worldwide markets that have substantial liquidity, capacity and transportation capabilities. About 40 percent of the Corporation's intersegment sales are crude oil produced by the Upstream and sold to the Downstream. Other intersegment sales include those between refineries and chemical plants related to raw materials, feedstocks and finished products.

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Although price levels of crude oil and natural gas may rise or fall significantly over the short to medium term due to political events, OPEC actions and other factors, industry economics over the long term will continue to be driven by market supply and demand. Accordingly, the Corporation tests the viability of all of its investments over a broad range of future prices. The Corporation's assessment is that its operations will continue to be successful in a variety of market conditions. This is the outcome of disciplined investment and asset management programs. Investment opportunities are tested against a variety of market conditions, including low-price scenarios.

The Corporation has an active asset management program in which underperforming assets are either improved to acceptable levels or considered for divestment. The asset management program includes a disciplined, regular review to ensure that all assets are contributing to the Corporation's strategic objectives. The result is an efficient capital base, and the Corporation has seldom had to write down the carrying value of assets, even during periods of low commodity prices.

Risk Management

The Corporation's size, strong capital structure, geographic diversity and the complementary nature of the Upstream, Downstream and Chemical businesses reduce the Corporation's enterprise-wide risk from changes in interest rates, currency rates and commodity prices. As a result, the Corporation makes limited use of derivative instruments to mitigate the impact of such changes. The Corporation does not engage in speculative derivative activities or derivative trading activities nor does it use derivatives with leveraged features. The Corporation maintains a system of controls that includes the authorization, reporting and monitoring of derivative activity. The Corporation's limited derivative activities pose no material credit or market risks to ExxonMobil's operations, financial condition or liquidity. "Note 12: Financial Instruments and Derivatives" of the Financial Section of this report summarizes the fair value of derivatives outstanding at year end and the gains or losses that have been recognized in net income.

The Corporation is exposed to changes in interest rates, primarily on its short-term debt and the portion of long-term debt that carries floating interest rates. The impact of a 100-basis-point change in interest rates affecting the Corporation's debt would not be material to earnings, cash flow or fair value. The Corporation's cash balances exceeded total debt at year-end 2008 and 2007. During 2008, credit markets tightened and the global economy slowed. The Corporation is not dependent on the credit markets to fund current operations. However, some joint-venture partners are dependent on the credit markets and their funding ability may impact the development pace of joint-venture projects.

The Corporation conducts business in many foreign currencies and is subject to exchange rate risk on cash flows related to sales, expenses, financing and investment transactions. The impacts of fluctuations in exchange rates on ExxonMobil's geographically and functionally diverse operations are varied and often offsetting in amount. The Corporation makes limited use of currency exchange contracts, commodity forwards, swaps and futures contracts to mitigate the impact of changes in currency values and commodity prices. Exposures related to the Corporation's limited use of the above contracts are not material.

Inflation and Other Uncertainties

The general rate of inflation in many major countries of operation increased in 2008 versus the relatively low rates in recent years, and the associated impact on non-energy costs has generally been mitigated by cost reductions from efficiency and productivity improvements. Increased global

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demand for certain services and materials has resulted in higher operating and capital costs in recent years. The Corporation works to counter upward pressure on costs through its economies of scale in global procurement and its efficient project management practices.

Projections, estimates and descriptions of ExxonMobil's plans and objectives included or incorporated in Items 1, 2, 7 and 7A of this report are forward-looking statements. Actual future results, including project completion dates, production rates, capital expenditures, costs and business plans could differ materially due to, among other things, the factors discussed above and elsewhere in this report.

Item 1B. *Unresolved Staff Comments.*

None.

Item 2. *Properties.*

Part of the information in response to this item and to the Securities Exchange Act Industry Guide 2 is contained in "Note 8: Property, Plant and Equipment and Asset Retirement Obligations" and in the "Supplemental Information on Oil and Gas Exploration and Production Activities," both included in the Financial Section of this report.

Information with regard to oil and gas producing activities follows:

1. Net Reserves of Crude Oil and Natural Gas Liquids and Natural Gas at Year-End 2008

Estimated proved reserves are shown in the "Oil and Gas Reserves" part of the "Supplemental Information on Oil and Gas Exploration and Production Activities" portion of the Financial Section of this report. No major discovery or other favorable or adverse event has occurred since December 31, 2008, that would cause a significant change in the estimated proved reserves as of that date. For information on the standardized measure of discounted future net cash flows relating to proved oil and gas reserves, see the "Standardized Measure of Discounted Future Cash Flows" part of the "Supplemental Information on Oil and Gas Exploration and Production Activities" portion of the Financial Section of this report.

The table below summarizes the oil-equivalent proved reserves in each geographic area for consolidated subsidiaries as detailed in the "Oil and Gas Reserves" part of the "Supplemental Information on Oil and Gas Exploration and Production Activities" portion of the Financial Section of this report for the year ended December 31, 2008. The Corporation has reported proved reserves on the basis of December 31 prices and costs. Gas is converted to an oil-equivalent basis at six million cubic feet per one thousand barrels.

	Liquids	Natural Gas	Oil-Equivalent Basis
	(millions of barrels)	(billions of cubic feet)	(millions of barrels)
United States	1,644	11,778	3,607
Canada/South America	812	1,383	1,042
Europe	533	5,445	1,441
Africa	2,137	918	2,290
Asia Pacific/Middle East	1,737	11,137	3,593
Russia/Caspian	713	741	837
Total consolidated	7,576	31,402	12,810

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Additional detail on developed and undeveloped oil-equivalent proved reserves is shown in the table below.

	Year-End 2008		Year-End 2007	
	Developed	Undeveloped	Developed	Undeveloped
	(millions of oil-equivalent barrels)			
Consolidated Subsidiaries				
United States	2,563	1,044	2,723	1,323
Canada/South America	771	271	899	300
Europe	1,148	293	1,362	396
Africa	1,407	883	1,331	895
Asia Pacific/Middle East	2,197	1,396	2,055	1,061
Russia/Caspian	166	671	157	677
Total	8,252	4,558	8,527	4,652
Equity Companies				
United States	280	66	316	79
Europe	1,556	444	1,621	462
Asia Pacific/Middle East	2,766	2,070	2,121	2,929
Russia/Caspian	754	369	637	413
Total	5,356	2,949	4,695	3,883

In the preceding reserves information, and in the reserves tables in the "Oil and Gas Reserves" part of the "Supplemental Information on Oil and Gas Exploration and Production Activities" portion of the Financial Section of this report, consolidated subsidiary and equity company reserves are reported separately. However, the Corporation operates its business with the same view of equity company reserves as it has for reserves from consolidated subsidiaries.

The Corporation's overall volume capacity outlook, based on projects coming on stream as anticipated, is for production capacity to grow over the period 2009-2013. However, actual volumes will vary from year to year due to the timing of individual project start-ups, operational outages, reservoir performance, regulatory changes, asset sales, weather events, price effects on production sharing contracts and other factors as described in Item 1A – Risk Factors of this report.

The estimation of proved reserves, which is based on the requirement of reasonable certainty, is an ongoing process based on rigorous technical evaluations, commercial and market assessments and detailed analysis of well information such as flow rates and reservoir pressure declines. Furthermore, the Corporation only records proved reserves for projects which have received significant funding commitments by management made toward the development of the reserves. Although the Corporation is reasonably certain that proved reserves will be produced, the timing and amount recovered can be affected by a number of factors including completion of development projects, reservoir performance, regulatory approvals and significant changes in projections of long-term oil and gas price levels.

2. Estimates of Total Net Proved Oil and Gas Reserves Filed with Other Federal Agencies

During 2008, ExxonMobil filed proved reserves estimates with the U.S. Department of Energy on Forms EIA-23 and EIA-28. The information on Form EIA-28 is presented on the same basis as the registrant's Annual Report on Form 10-K for 2007, which shows ExxonMobil's net interests in all liquids and gas reserve volumes and changes thereto from both ExxonMobil-operated properties and properties operated by others. The data on Form EIA-23, although consistent with the data on Form EIA-28, is presented on a different basis, and includes 100 percent of the oil and gas volumes from ExxonMobil-operated properties only, regardless of the company's net interest. In addition,

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Form EIA-23 information does not include gas plant liquids. The difference between the oil reserves and gas reserves reported on EIA-23 and those reported in the registrant's Annual Report on Form 10-K for 2007 exceeds five percent.

3. Average Sales Prices and Production Costs per Unit of Production

Reference is made to the "Results of Operations" part of the "Supplemental Information on Oil and Gas Exploration and Production Activities" portion of the Financial Section of this report. Average sales prices have been calculated by using sales quantities from the Corporation's own production as the divisor. Average production costs have been computed by using net production quantities for the divisor. The volumes of crude oil and natural gas liquids (NGL) production used for this computation are shown in the reserves table in the "Oil and Gas Reserves" part of the "Supplemental Information on Oil and Gas Exploration and Production Activities" portion of the Financial Section of this report. The volumes of natural gas used in the calculation are the production volumes of natural gas available for sale and thus are different from those shown in the reserves table in the "Oil and Gas Reserves" part of the "Supplemental Information on Oil and Gas Exploration and Production Activities" portion of the Financial Section of this report due to volumes consumed or flared. Gas is converted to an oil-equivalent basis at six million cubic feet per one thousand barrels.

4. Gross and Net Productive Wells

	Year-End 2008				Year-End 2007			
	Oil		Gas		Oil		Gas	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
United States	27,247	10,186	9,092	5,515	27,444	10,320	9,112	5,516
Canada/South America	5,527	5,007	6,189	3,189	5,714	5,092	6,211	3,240
Europe	1,345	391	1,217	478	1,599	477	1,188	472
Africa	943	381	14	6	853	350	16	6
Asia Pacific/Middle East	2,182	564	313	199	2,195	573	272	183
Russia/Caspian	142	29	—	—	119	24		
Total	37,386	16,558	16,825	9,387	37,924	16,836	16,799	9,417

There were 16,286 gross and 13,573 net operated wells at year-end 2008 and 16,797 gross and 13,945 net operated wells at year-end 2007.

5. Gross and Net Developed Acreage

	Year-End 2008		Year-End 2007	
	Gross	Net	Gross	Net
	(thousands of acres)			
United States	8,746	5,148	9,001	5,174
Canada/South America	5,444	2,459	5,391	2,337
Europe	10,172	4,026	10,730	4,194
Africa	1,958	756	1,889	729
Asia Pacific/Middle East	8,161	1,651	8,124	1,649
Russia/Caspian	531	116	531	116
Total	35,012	14,156	35,666	14,199

Note: Separate acreage data for oil and gas are not maintained because, in many instances, both are produced from the same acreage.

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6. Gross and Net Undeveloped Acreage

	Year-End 2008		Year-End 2007	
	Gross	Net	Gross	Net
	(thousands of acres)			
United States	9,064	5,691	9,104	5,539
Canada/South America	32,700	19,741	32,399	22,353
Europe	16,875	7,913	13,552	6,002
Africa	40,440	26,439	39,935	24,835
Asia Pacific/Middle East	18,699	12,190	20,904	13,167
Russia/Caspian	1,952	372	1,952	392
Total	119,730	72,346	117,846	72,288

ExxonMobil's investment in developed and undeveloped acreage is comprised of numerous concessions, blocks and leases. The terms and conditions under which the Corporation maintains exploration and/or production rights to the acreage are property-specific, contractually defined and vary significantly from property to property. Work programs are designed to ensure that the exploration potential of any property is fully evaluated before expiration. In some instances, the Corporation may elect to relinquish acreage in advance of the contractual expiration date if the evaluation process is complete and there is not a business basis for extension. In cases where additional time may be required to fully evaluate acreage, the Corporation has generally been successful in obtaining extensions.

7. Summary of Acreage Terms

UNITED STATES

Oil and gas leases have an exploration period ranging from one to ten years, and a production period that normally remains in effect until production ceases. Under certain circumstances, a lease may be held beyond its exploration term even if production has not commenced. In some instances, a "fee interest" is acquired where both the surface and the underlying mineral interests are owned outright.

CANADA / SOUTH AMERICA

Canada

Exploration permits are granted for varying periods of time with renewals possible. Exploration rights in onshore areas acquired from Canadian provinces entitle the holder to obtain leases upon completing specified work. Production leases are held as long as there is production on the lease. The majority of Cold Lake leases were taken for an initial 21-year term in 1968-1969 and renewed for a second 21-year term in 1989-1990. The exploration acreage in eastern Canada and the block in the Beaufort Sea acquired in 2007 are currently held by work commitments of various amounts.

Argentina

The onshore concession terms in Argentina are up to four years for the initial exploration period, up to three years for the second exploration period and up to two years for the third exploration period. A 50-percent relinquishment is required after each exploration period. An extension after the third exploration period is possible for up to five years. The total production term is 25 years with a ten-year extension possible, once a field has been developed.

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EUROPE

Germany

Exploration concessions are granted for an initial maximum period of five years, with an unlimited number of extensions of up to three years each. Extensions are subject to specific, minimum work commitments. Production licenses are normally granted for 20 to 25 years with multiple possible extensions as long as there is production on the license. In May 2007, ExxonMobil affiliates acquired four exploration licenses over 1.3 million acres in the Lower Saxony Basin. The exploration licenses are for a period of five years during which exploration work programs will be carried out.

Netherlands

Under the Mining Law, effective January 1, 2003, exploration and production licenses for both onshore and offshore areas are issued for a period as explicitly defined in the license. The term is based on the period of time necessary to perform the activities for which the license is issued. License conditions are stipulated in the Mining Law.

Production rights granted prior to January 1, 2003, remain subject to their existing terms, and differ slightly for onshore and offshore areas. Onshore production licenses issued prior to 1988 were indefinite; from 1988 they were issued for a period as explicitly defined in the license, ranging from 35 to 45 years. Offshore production licenses issued before 1976 were issued for a fixed period of 40 years; from 1976 they were again issued for a period as explicitly defined in the license, ranging from 15 to 40 years.

Norway

Licenses issued prior to 1972 were for an initial period of six years and an extension period of 40 years, with relinquishment of at least one-fourth of the original area required at the end of the sixth year and another one-fourth at the end of the ninth year. Licenses issued between 1972 and 1997 were for an initial period of up to six years (with extension of the initial period of one year at a time up to ten years after 1985), and an extension period of up to 30 years, with relinquishment of at least one-half of the original area required at the end of the initial period. Licenses issued after July 1, 1997, have an initial period of up to ten years and a normal extension period of up to 30 years or in special cases of up to 50 years, and with relinquishment of at least one-half of the original area required at the end of the initial period.

United Kingdom

Acreage terms are fixed by the government and are periodically changed. For example, many of the early licenses issued under the first four licensing rounds provided for an initial term of six years with relinquishment of at least one-half of the original area at the end of the initial term, subject to extension for a further 40 years. ExxonMobil's licenses issued in 2005 as part of the 23rd licensing round have an initial term of four years with a second term extension of four years and a final term of 18 years. There is a mandatory relinquishment of 50-percent of the acreage after the initial term and of all acreage that is not covered by a development plan at the end of the second term.

AFRICA

Angola

Exploration and production activities are governed by production sharing agreements with an initial exploration term of four years and an optional second phase of two to three years. The production period is for 25 years, and agreements generally provide for a negotiated extension.

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Cameroon

Exploration and production activities are governed by various agreements negotiated with the national oil company and the government of Cameroon. Exploration permits are granted for terms from four to 16 years and are generally renewable for multiple periods up to four years each. Upon commercial discovery, mining concessions are issued for a period of 25 years with one 25-year extension.

Chad

Exploration permits are issued for a period of five years, and are renewable for one or two further five-year periods. The terms and conditions of the permits, including relinquishment obligations, are specified in a negotiated convention. The production term is for 30 years and may be extended at the discretion of the government. In May 2007, Chad enacted a new Petroleum Code which would govern new acquisitions.

Equatorial Guinea

Exploration and production activities are governed by production sharing contracts negotiated with the State Ministry of Mines, Industry and Energy. The exploration periods are for ten to 15 years with limited relinquishments in the absence of commercial discoveries. The production period for crude oil is 30 years while the production period for gas is 50 years. A new Hydrocarbons Law was enacted in November 2006. Under the new law, the exploration terms for new production sharing contracts are four to five years with a maximum of two one-year extensions, unless the Ministry agrees otherwise.

Nigeria

Exploration and production activities in the deepwater offshore areas are typically governed by production sharing contracts (PSCs) with the national oil company, the Nigerian National Petroleum Corporation (NNPC). NNPC holds the underlying Oil Prospecting License (OPL) and any resulting Oil Mining Lease (OML). The terms of the PSCs are generally 30 years, including a ten-year exploration period (an initial exploration phase plus one or two optional periods) covered by an OPL. Upon commercial discovery, an OPL may be converted to an OML. Partial relinquishment is required under the PSC at the end of the ten-year exploration period, and OMLs have a 20-year production period that may be extended.

Some exploration activities are carried out in deepwater by joint ventures with local companies holding interests in an OPL. OPLs in deepwater offshore areas are valid for ten years and are non-renewable, while in all other areas the licenses are for five years and also are non-renewable. Demonstrating a commercial discovery is the basis for conversion of an OPL to an OML.

OMLs granted prior to the 1969 Petroleum Act (i.e., under the Mineral Oils Act 1914, repealed by the 1969 Petroleum Act) were for 30 years onshore and 40 years in offshore areas and are renewable upon 12 months' written notice, for further periods of 30 and 40 years, respectively. Operations under these pre-1969 OMLs are conducted under a joint venture agreement with NNPC rather than a PSC. In 2000, a Memorandum of Understanding (MOU) was executed defining commercial terms applicable to existing joint venture oil production. The MOU may be terminated on one calendar year's notice.

OMLs granted under the 1969 Petroleum Act, which include all deepwater OMLs, have a maximum term of 20 years without distinction for onshore or offshore location and are renewable, upon 12 months' written notice, for another period of 20 years. OMLs not held by NNPC are also subject to a mandatory 50-percent relinquishment after the first ten years of their duration.

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ASIA PACIFIC / MIDDLE EAST

Australia

Exploration and production activities are conducted offshore and are governed by Federal legislation. Exploration permits are granted for an initial term of six years with two possible five-year renewal periods. Retention leases may be granted for resources that are not commercially viable at the time of application, but are expected to become commercially viable within 15 years. These are granted for periods of five years and renewals may be requested. Prior to July 1998, production licenses were granted initially for 21 years, with a further renewal of 21 years and thereafter "indefinitely", i.e., for the life of the field (if no operations for the recovery of petroleum have been carried on for five years, the license may be terminated). Effective from July 1998, new production licenses are granted "indefinitely".

Indonesia

Exploration and production activities in Indonesia are generally governed by cooperation contracts, usually in the form of a production sharing contract, negotiated with BPMIGAS, a government agency established in 2002 to manage upstream oil and gas activities. Formerly this activity was carried out by Pertamina, the government owned oil company, which is now a competing limited liability company.

Japan

The Mining Law provides for the granting of concessions that convey exploration and production rights. Exploration rights are granted for an initial two-year period, and may be extended for two two-year periods for gas and three two-year periods for oil. Production rights have no fixed term and continue until abandonment so long as the rights holder is fulfilling its obligations.

Malaysia

Exploration and production activities are governed by seven production sharing contracts (PSCs) negotiated with the national oil company, three governing exploration and production activities and four governing production activities only. The more recent PSCs governing exploration and production activities have an overall term of 24 to 38 years, depending on water depth, with possible extensions to the exploration and/or development periods. The exploration period is five to seven years with the possibility of extensions, after which time areas with no commercial discoveries will be deemed relinquished. The development period is from four to six years from commercial discovery, with the possibility of extensions under special circumstances. Areas from which commercial production has not started by the end of the development period will be deemed relinquished if no extension is granted. All extensions are subject to the national oil company's prior written approval. The total production period is 15 to 25 years from first commercial lifting, not to exceed the overall term of the contract.

In 2008, the Company reached agreement with the national oil company for a new PSC. Under the new PSC, from 2008 until March 31, 2012, the Company is entitled to undertake new development and production activities of areas, in oil fields under an existing PSC, subject to new minimum work and spending commitments. When the existing PSC expires on March 31, 2012, the producing fields covered by the existing PSC, as well as those areas developed by the Company under the new PSC, all automatically become part of the new PSC, which has a 25-year duration from April 2008.

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Papua New Guinea

Exploration and production activities are governed by the Oil and Gas Act. Petroleum Prospecting licenses are granted for an initial term of six years with a five-year extension possible (an additional extension of three years is possible in certain circumstances). Generally, a 50-percent relinquishment of the license area is required at the end of the initial six-year term, if extended. Petroleum Development licenses are granted for an initial 25-year period. An extension of up to 20 years may be granted at the Minister's discretion. Petroleum Retention licenses may be granted for gas resources that are not commercially viable at the time of application, but may become commercially viable within the maximum possible retention time of 15 years. Petroleum Retention licenses are granted for five-year terms, and may be extended, at the Minister's discretion, twice for the maximum retention time of 15 years. Recent amendments of the Oil and Gas Act provide that extensions of Petroleum Retention licenses may be for periods of less than one year, renewable annually, if the Minister considers at the time of extension that the resources could become commercially viable in less than five years.

Qatar

The State of Qatar grants gas production development project rights to develop and supply gas from the offshore North Field to permit the economic development and production of gas reserves sufficient to satisfy the gas and LNG sales obligations of these projects.

Republic of Yemen

Existing production operations under the production sharing agreements (PSAs) have a development period extending 20 years from first commercial declaration made in November 1985 for the Marib PSA and June 1995 for the Jannah PSA. The Government of Yemen awarded a five-year extension of the Marib PSA, but later repudiated the extension and expelled the concession holders. The concession holders brought an action for arbitration over the Government's actions, but the arbitration panel in 2008 ruled in favor of the Government.

Thailand

The Petroleum Act of 1971 allows production under ExxonMobil's concession for 30 years with a ten-year extension at terms generally prevalent at the time.

United Arab Emirates

Exploration and production activities for the major onshore oilfields in the Emirate of Abu Dhabi are governed by a 75-year oil concession agreement executed in 1939 and subsequently amended through various agreements with the government of Abu Dhabi. An interest in the Upper Zakum field, a major offshore field, was acquired effective as of January 1, 2006, for a term expiring March 9, 2026, on fiscal terms consistent with the Company's existing interests in Abu Dhabi.

RUSSIA/CASPIAN

Azerbaijan

The production sharing agreement (PSA) for the development of the Azeri-Chirag-Gunashli field is established for an initial period of 30 years starting from the PSA execution date in 1994.

Other exploration and production activities are governed by PSAs negotiated with the national oil company of Azerbaijan. The exploration period consists of three or four years with the possibility of a one to three-year extension. The production period, which includes development, is for 25 years or 35 years with the possibility of one or two five-year extensions.

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Kazakhstan

Onshore: Exploration and production activities are governed by the production license, exploration license and joint venture agreements negotiated with the Republic of Kazakhstan. Existing production operations have a 40-year production period that commenced in 1993.

Offshore: Exploration and production activities are governed by a production sharing agreement negotiated with the Republic of Kazakhstan. The exploration period was six years followed by separate appraisal periods for each discovery. The production period for each discovery, which includes development, is for 20 years from the date of declaration of commerciality with the possibility of two ten-year extensions.

Russia

Terms for ExxonMobil's acreage are fixed by the production sharing agreement (PSA) that became effective in 1996 between the Russian government and the Sakhalin-1 consortium, of which ExxonMobil is the operator. The term of the PSA is 20 years from the Declaration of Commerciality, which would be 2021. The term may be extended thereafter in 10-year increments as specified in the PSA.

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8. Number of Net Productive and Dry Wells Drilled

	2008	2007	2006
A. Net Productive Exploratory Wells Drilled			
United States	10	12	10
Canada/South America		1	3
Europe	4	2	2
Africa	3	2	4
Asia Pacific/Middle East	2	1	2
Russia/Caspian	—	1	—
Total	19	19	21
B. Net Dry Exploratory Wells Drilled			
United States	3	8	5
Canada/South America		1	1
Europe	2	2	2
Africa	2	4	4
Asia Pacific/Middle East	2	1	—
Russia/Caspian	—	—	
Total	9	16	12
C. Net Productive Development Wells Drilled			
United States	426	451	552
Canada/South America	223	377	373
Europe	10	16	22
Africa	39	43	64
Asia Pacific/Middle East	28	26	25
Russia/Caspian	5	4	5
Total	731	917	1,041
D. Net Dry Development Wells Drilled			
United States	3	15	5
Canada/South America	1		1
Europe	—	3	4
Africa	—	1	1
Asia Pacific/Middle East	—	—	—
Russia/Caspian	—	—	—
Total	4	19	11
Total number of net wells drilled	763	971	1,085

9. Present Activities

A. Wells Drilling

	Year-End 2008		Year-End 2007	
	Gross	Net	Gross	Net
United States	203	137	118	65
Canada/South America	297	173	187	125

Europe	28	7	41	6
Africa	19	7	30	11
Asia Pacific/Middle East	22	11	46	25
Russia/Caspian	25	4	36	5
Total	594	339	458	237

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B. Review of Principal Ongoing Activities

During 2008, ExxonMobil's activities were conducted, either directly or through affiliated companies, by ExxonMobil Exploration Company (for exploration), by ExxonMobil Development Company (for large development activities), by ExxonMobil Production Company (for producing and smaller development activities) and by ExxonMobil Gas & Power Marketing Company (for gas marketing). During this same period, some of ExxonMobil's exploration, development, production and gas marketing activities were also conducted in Canada by the Resources Division of Imperial Oil Limited, which is 69.6 percent owned by ExxonMobil.

UNITED STATES

ExxonMobil's year-end 2008 acreage holdings totaled 10.8 million net acres, of which 2.3 million net acres were offshore. ExxonMobil was active in areas onshore and offshore in the lower 48 states and in Alaska.

During 2008, 416.4 net exploration and development wells were completed in the inland lower 48 states and 2.0 net development wells were completed offshore in the Pacific. Tight gas development continued in the Piceance Basin of Colorado. Participation in Alaska production and development continued and a total of 20.5 net development wells were drilled. On Alaska's North Slope, activity continued on the Western Region Development (primarily the Orion field) with development drilling and engineering design for future facility expansions.

ExxonMobil's net acreage in the Gulf of Mexico at year-end 2008 was 2.1 million acres. A total of 3.5 net exploration and development wells were completed during the year. Activity on the Thunder Horse project continued, with production from the deepwater semi-submersible development commencing in 2008. Work to rebuild and reinstall subsea equipment resulting from subsea manifold failures continued.

Construction of the Golden Pass LNG regasification terminal in Texas continued in 2008. The terminal will have the capacity to deliver up to two billion cubic feet of gas per day.

CANADA / SOUTH AMERICA

Canada

ExxonMobil's year-end 2008 acreage holdings totaled 8.0 million net acres, of which 3.9 million net acres were offshore. A total of 221.2 net development wells were completed during the year.

Argentina

ExxonMobil's net acreage totaled 0.2 million onshore acres at year-end 2008, and there were 3.3 net development wells completed during the year.

Venezuela

ExxonMobil's acreage holdings and assets were expropriated in 2007. Refer to the relevant portion of "Note 15: Litigation and Other Contingencies" of the Financial Section of this report for additional information.

EUROPE

Germany

A total of 3.1 million net onshore acres and 0.1 million net offshore acres were held by ExxonMobil at year-end 2008, with 3.5 net development and exploration wells drilled during the year.

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Italy

Construction of the Adriatic LNG regasification terminal continued in 2008. The terminal was moved from its construction site to its final location offshore Italy for commissioning. The terminal will have the capacity to supply up to 775 million cubic feet of gas per day to the Italian gas market.

Netherlands

ExxonMobil's net interest in licenses totaled approximately 1.5 million acres at year-end 2008, of which 1.2 million acres were onshore. A total of 2.7 net exploration and development wells were completed during the year. Offshore, construction of the L09 project was completed. Onshore, the project to redevelop the previously abandoned Schoonebeek oil field commenced. In addition, the multi-year project to renovate Groningen production clusters, install new compression to maintain capacity, and extend field life continued.

Norway

ExxonMobil's net interest in licenses at year-end 2008 totaled approximately 0.8 million acres, all offshore. ExxonMobil participated in 8.3 net exploration and development well completions in 2008. Production was initiated at Volve and construction on the Tyrihans project continued.

United Kingdom

ExxonMobil's net interest in licenses at year-end 2008 totaled approximately 1.4 million acres, all offshore. A total of 1.2 net exploration and development wells were completed during the year. The Starling and Caravel projects started up in 2008, while the St. Fergus gas processing facilities refurbishment project continued to make progress.

Construction of the South Hook LNG regasification terminal in Wales continued in 2008. The terminal will have the capacity to deliver up to two billion cubic feet of gas per day into the natural gas grid.

AFRICA

Angola

ExxonMobil's year-end 2008 acreage holdings totaled 0.7 million net offshore acres and 10.5 net exploration and development wells were completed during the year. On Block 15, development drilling continued at Kizomba A and Kizomba B. The Block's fourth major development, Kizomba C, began production from the Mondo and Saxi/Batuque fields in 2008. A block-wide 3D and 4D seismic acquisition program concluded during the year. On the non-operated Block 17, project work continued on the Pazflor project in 2008 and development drilling continued at Rosa and Dalia. The Plutao-Saturno-Venus-Marte (PSVM) project on Block 31 (non-operated) was approved in 2008.

Cameroon

ExxonMobil's net acreage holdings totaled 0.1 million offshore acres.

Chad

ExxonMobil's net year-end 2008 acreage holdings consisted of 3.3 million onshore acres, with 22.8 net development wells completed during the year. Work began on the Timbre field, with production expected in 2009.